

UAC INSURANCE MUTUAL MEMBERSHIP MEETING

April 3, 1996, 5:00-7:00
Ogden Park Hotel

AGENDA

UNION PACIFIC B

5:00	Welcome & Introduction of UACIM Board Members	Gary Herbert
	Review of November 8, 1995 Membership Meeting Minutes	Gary Herbert
	Premium Contribution Late Fee	Robert Gardner
	Point System Program	Brett Rich
	Broker Report/Claims Review	Jess Hurtado Doug Alexander
	Use of Defense Counsel Prior to Notice of Claim	Brett Rich
	Investigation, Settlement and Litigation of Claims	Brett Rich
	County Driver Review	Brett Rich
	Loss Prevention Report	David Nelson
	Brent's Top 10 List	Brent Gardner
	Questions & Answers	Board of Directors

CENTRAL PACIFIC ROOM

6:00	Dinner with Partner	Members Attending Meeting
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UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, MEMBERSHIP MEETING

April 3, 1996, 5:00 p.m.
Ogden Park Hotel

**Board
Members
Present:**

Gary Herbert, *President*, Utah County Commissioner
Gerald Hess, *Vice President*, Davis County Deputy Attorney
Robert Gardner, *Secretary*, Iron County Commissioner
Sid Groll, *Comptroller*, Cache County Sheriff
Ken Brown, Rich County Commissioner
Curtis Dastrup, Duchesne County Commissioner

**Board
Members
Absent:**

Ty Lewis, San Juan County Commissioner
Sarah Ann Skanchy, Cache County Council Member
Gary Sullivan, Beaver County Commissioner

**Members
Present:**

Lee Allen, Box Elder County Commissioner
JoAnn Behling, Emery County Treasurer
Keller Christenson, Sanpete County Commissioner
Ilene Frischknecht, Sanpete County Auditor
Michael Gleed, Cache County Recorder
Jerry Golins, Uintah County Administrative Assistant
Pat Greenwood, Juab County Clerk-Auditor
Jay Hardy, Box Elder County Commissioner
Ross Huntington, Emery County Auditor
Margene Isom, Davis County Clerk-Auditor
Lynn Lemon, Cache County Executive
Linda May, Davis County Deputy Clerk-Auditor
Donna McKendrick, Tooele County Recorder
Royal Norman, Box Elder County Commissioner
Carol Dean Page, Davis County Recorder
Clare Ramsay, Garfield County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Brent Titcomb, Wasatch County Clerk-Auditor
David Yardley, Iron County Clerk

**Others
Present:**

Brent Gardner, UACIM Administrator
Brett Rich, Director, UACIM
David Nelson, UACIM Loss Prevention Manager
Sonya White, UACIM Administrative Assistant
Jess Hurtado, UACIM Broker, Aon Risk Resources
Keri Chappell, UACIM Broker, Aon Risk Resources
Mike McHugh, Aon Risk Resources
Doug Alexander, UACIM Claims Manager, Aon Insurance Management
Sue Benton, UACIM Claims Technical Assistant, Aon Insurance Management

CALL TO ORDER

Gary Herbert called the meeting to order, introduced the members of the Board and welcomed those members in attendance.

REVIEW AND APPROVAL OF NOVEMBER 1995 MINUTES

The minutes from the November 8, 1995, membership meeting were previously sent and reviewed by the Board of Directors and members. Clare Ramsay made a motion to approve the minutes as written. Lynn Lemon seconded the motion and the motion carried.

PREMIUM CONTRIBUTION LATE FEE

Robert Gardner explained to the membership that several counties were late in paying their 1996 premium contribution. It was brought to the Boards attention that the language in the *Late Premium Payments* joint policy was unclear as to when the contribution was due, therefore, the Board agreed to waive the late fee and revised the language in the policy statement to read: *All UACIM premium and surplus contribution payments are due on or before the first day of January of the applicable policy year. Counties making payments, or portions thereof, postmarked after January 31st shall be charged interest calculated at 2% above the Federal Prime Rate.* Robert noted that UACIM will send the premium contribution invoices to the insurance coordinator of each member county in October. A second notice will be sent in December and a final reminder in January. There were no questions from the membership.

POINT SYSTEM PROGRAM

On March 21st the Board of Directors adopted a Risk Management Program for the member counties. Brett Rich explained that the purpose of this program is to inform member counties on elements of effective risk management and to provide financial incentives for incorporation of these principles into county operations. Currently the Board of Directors use a loss sensitive formula to establish annual premiums. Premiums will continue to be based on a loss sensitive formula with the Board determining the available credit amount each year. The Board will then determine what percentage of the member counties' premium is available as a credit under this program. That percentage, applied to an individual county's premium, represents the dollar figure of the total available credit. To participate in this program, the Board has adopted four prerequisites: 1) a risk manager/safety officer must be appointed who is responsible for the implementation of the risk management programs, 2) the member must adopt a formal policy or philosophy dedicating the member county to sound risk management, 3) a risk management/safety committee must be appointed, and 4) the county must respond to each risk review within 30 days of the date of the report. The UACIM Loss Control Department will be working directly with each member county during the risk reviews to establish which credits the county qualifies to receive. As the counties comply with this program, the members will not only experience an immediate effect of reduction in premium but a long term effect in the reduction of losses.

BROKER REPORT/CLAIMS REVIEW

Jess Hurtado reported that UACIM and Aon Risk Resources are continually working with the Insurance Department regarding surplus requirements. Aon has recently developed a new program through Coregis that may resolve the surplus issue. UACIM and Aon are continually trying to improve the availability of coverage, avoid retail commissions, improve loss control services, improve claims service, provide increased stability to the insurance market cycles, control administrative expenses, customize insurance programs, and select and purchase services. Jess explained that this new program offers increased property limits of \$150 million, increased crime limits of \$200,000, increased commercial blanket bond of \$500,000 and a reduced self-insured retention to \$200,000. The existing UACIM manuscript policy form excludes any claims relating to sexual molestation. This exclusion has created concern with the county commission/council—who may be sued for mismanagement of personnel for these types of crimes coming out of another department. The new program will cover the commission/council for mismanagement types of claims. The use of pesticides is no longer excluded from the new program especially with weed spraying and mosquito abatement mandated by the state. In conclusion, Jess reviewed the structure of UACIM with the members.

Doug Alexander introduced Sue Benton who will be working in claims administration as the new Technical Assistant. Doug gave a brief report of the claims count explaining that for the year 1996, 50 claims have been reported of which 24 have been closed. Doug has noticed an increase in the activity of automobile claims this year stating that the majority of the 1996 reserves are for automobile claims. The total incurred is approximately \$100,000 for 1996 claims as of March 31st. Since the inception of UACIM, 1279 claims have been reported with only 189 open claims of which 60 are in litigation. For those litigated files, \$2,500,614 is reserved and \$1,543,614 has been paid. In the area of civil rights, 124 claims have been reported since the inception of UACIM with 85 claims occurring in the law enforcement department, 30 in the personnel department and seven E&O claims. Doug concluded by expressing his main concerns continue to be in the area of automobile liability and automobile physical damage as well as law enforcement and jail liability in the civil rights category.

USE OF DEFENSE COUNSEL PRIOR TO NOTICE OF CLAIM

Brett Rich referred to pages 17-18 of the UACIM Joint Policy Statements explaining that this program was adopted by the Board as a proactive way to control losses and act before losses become problems. The Board wants the member counties to benefit from specialized legal advice, with an attorney that represents UACIM, on pre-notice of claim matters. Brett urged the membership to read the policy statement and become acquainted with the provision that each request must come through the county attorney. The Boards intent was not to circumvent or replace the county attorney's office rather to assist the counties as needed in pre-notice matters. This policy statement will also separate the pre-notice occurrences from the claims files—claims files should not be entered as claims until an actual *notice of claim* is received.

INVESTIGATION, SETTLEMENT AND LITIGATION OF CLAIMS

Brett Rich referred to page 19 of the UACIM Joint Policy Statements explaining that this statement was adopted as a clarification of Article 11.1 of the UACIM Bylaws. The Board wanted to stress the importance of the handling of claims as stated: *UACIM shall retain the rights of investigation, settlement, and litigation of all claims, as provided in Section 11.1f of the UACIM Bylaws, and may deny coverage for any claims settled by member counties or for any monies paid by member counties toward claims without the prior written approval of UACIM.* This procedure has been and will continue to be the policy of UACIM and is not unique in the insurance industry. Doug Alexander has 20+ years experience in claims adjusting which is beneficial to UACIM in handling member county claims.

COUNTY DRIVER REVIEW

Brett Rich referred to pages 20-21 of the UACIM Joint Policy Statements and explained that with the concerns in the area of automobile liability and automobile property damage, the Board adopted this statement consisting of items UACIM asks each county to accomplish and suggestions for policy implementation. As outlined in the statement, this policy is intended to provide member counties with clear procedures for evaluating county employees who damage county vehicles and recommended actions for responding to the evaluation. Also, for the counties convenience, the statement also lists Utah laws for DUI convictions for consideration in adopting county policy. Brett concluded by expressing the constant process of training and information needed to limit UACIM's potential for loss.

LOSS PREVENTION REPORT

David Nelson explained to the members that loss prevention is a revolving process, changing from year to year depending on what type of losses UACIM is experiencing. The goals and objectives of the loss prevention department for 1996 are: 1) David will visit each member county twice yearly for a formal risk review, 2) provide loss prevention driver training at least once to all member counties, 3) conduct statewide loss prevention training dealing with topics such as FMLA, Personnel, Drugs in the Workplace, etc., 4) training for the attorneys, 5) meet with the member county commissioners/council members at least once per year, 6) meet four times with the Personnel and Law Enforcement Loss Prevention Committees, 7) develop and implement a self inspection/evaluation program for member counties, 8) provide loss prevention material for the *Mutual Matters* newsletter, and 9) participate in the annual Road School. David concluded by explaining that if a member county has any type of special training needs to contact the loss prevention department.

BRENT'S TOP 10 LIST

Brent Gardner reviewed with the members the top 10 claims by severity since the inception of UACIM as of year ending 12/31/95. These claims were listed by total paid showing the county and claimant. Brent explained that implementation of loss prevention activities will reduce the counties chances of appearing on the list. Member counties may benefit by discussing problems that occurred in these counties by learning lessons and how to avoid the same mistakes or problems. Next, Brent reviewed the top 10 claims by frequency showing the total number of claims open and closed. He included a breakdown of full time employees per claim to better compare the smaller and larger counties,

OTHER BUSINESS

Gary Herbert announced that the Insurance Mutual has a booth in the exhibit hall where a staff member will be available to answer any questions during the remainder of the convention. Informative handouts will also be available. The meeting was adjourned.

ATTENDANCE ROSTER

UAC INSURANCE MUTUAL MEMBERSHIP MEETING
April 3, 1996

NAME	COUNTY/TITLE	SIGNATURE
Adams, LuAnn	Box Elder County Recorder-Clerk	
Alexander, Douglas	Aon Insurance Management Services	
Allen, Lee	Box Elder County Commissioner	<i>Lee Allen</i>
Ayers, Dennis	Iron County Assessor	
Bailey, Rick	San Juan County Administrative Assistant	
Behling, JoAnn	Emery County Treasurer	<i>JoAnn Behling</i>
Benton, Sue	Aon Insurance Management Services	
Brown, Kenneth	Rich County Commissioner	
Brown, Valeen	Piute County Clerk-Auditor	
Bunker, Bruce	San Juan County Assessor	
Chappell, Keri	Aon Risk Resources	
Covington, Randall	Utah County Recorder	
Dastrup, Curtis	Duchesne County Commissioner	
Frischknecht, Ilene	Sanpete County Auditor	<i>Ilene Frischknecht</i>
Gardner, Brent	UAC Executive Director	<i>Brent Gardner</i>
Gardner, Robert	Iron County Commissioner	
Jerry Golins	Uintah County Administrative Assistant	<i>Jerry Golins</i>
Greenwood, Pat	Juab County Clerk-Auditor	<i>Pat Greenwood</i>
Groll, Sid	Cache County Sheriff	<i>Sid Groll</i>
Herbert, Gary	Utah County Commissioner	<i>Gary Herbert</i>
Hess, Gerald	Davis County Deputy Attorney	<i>Gerald Hess</i>
Huntington, Ross	Emery County Auditor	<i>Ross Huntington</i>
Hurtado, Jess	Aon Risk Resources	
Isom, Margene	Davis County Clerk-Auditor	<i>Margene Isom</i>
Kjar, Steven	Sanpete County Assessor	
Lemon, Lynn	Cache County Executive	<i>M. Lynn Lemon</i>
Lewis, Ty	San Juan County Commissioner	
Liston, Louise	Garfield County Commissioner	
Lowder, Dennis	Iron County Auditor	
Mason, Peggy	Sevier County Commissioner	
Matthews, Dan	Wasatch County Attorney	
May, Linda	Davis County Deputy Clerk-Auditor	<i>Linda May</i>
McConkie, Dannie	Davis County Commissioner	
McHugh, Mike	Aon Insurance Management Services	
Nelson, David	UACIM Loss Prevention Manager	
Page, Carol Dean	Davis County Recorder	<i>Carol Dean Page</i>
Page, Carol R.	Davis County Commission	
Perkins, Clinton	Washington County Assessor	
Petersen, Kent	Emery County Commissioner	
Rausch, John	Box Elder County Purchasing Agent	

ATTENDANCE ROSTER

April 3, 1996

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UAC INSURANCE MUTUAL
TOP 10 CLAIMS BY SEVERITY
(as of 12/31/95)

	COUNTY	TOTAL PAID	CLAIM NUMBER	YEAR	TYPE	CLAIMANT
1	IRON	\$228,009.58	801IR0937010	93	AU	DARLENE SORENSON
2	CACHE	\$211,227.93	801CAC927005	92	GL	LEO R. BEUS ET AL
3	TOOELE	\$175,691.75	801TO0937022	93	GL	BRYAN GRODE
4	UINTAH	\$109,323.49	801UIN927000	92	AU	RAYMOND McDONALD
5	IRON	\$96,869.76	801IR0947005	94	AU	CODY DAVIS
6	EMERY	\$81,835.73	801EME947003	94	AU	EMERY COUNTY
7	IRON	\$51,390.53	801IR0937003	93	PY	IRON COUNTY
8	SAN JUAN	\$47,040.38	801SAJ927012	92	GL	NORMAN BEGAY
9	UINTAH	\$46,628.36	801UIN927013	92	GL	DALE TAYLOR
10	SANPETE	\$46,495.63	801SAN927006	92	GL	RON VINCENT

UAC INSURANCE MUTUAL
TOP 10 CLAIMS FREQUENCY
(as of 12/31/95)

		CLOSED	OPEN	TOTAL	CLAIMS
POSITION	COUNTY	CLAIMS	CLAIMS	CLAIMS	PER FTE
1	DAVIS	215	19	234	3.05
2	UTAH	128	29	157	3.31
3	WASHINGTON	76	20	96	1.69
4	CACHE	74	20	94	1.76
5	TOOELE	70	13	83	2.65
6	BOX ELDER	62	17	79	1.73
7	UINTAH	55	18	73	4.79
8	IRON	40	7	47	3.3
9	EMERY	39	3	42	4.5
10	SAN JUAN	36	6	42	3.14

